Telefónica

2025

Stakeholder engagement and relations

In accordance with the provisions of the Regulations of the Board of Directors of Telefónica, S.A.

One of the duties of the Sustainability and Regulation Committee is to manage stakeholders, specifically:

- **To promote a proactive relationship strategy with stakeholders, with the purpose of defining the material issues affecting the Company from impact, risk and opportunity perspectives.**

- **To ensure that the corporate culture is aligned with the Company's purpose and values and to act transparently towards stakeholders.**

In addition, the Global Sustainability (ESG) Department is the area responsible for reporting annually to the Company's Sustainability and Regulation Committee on the opinions and the interests of stakeholders with regard to the strategy and business model.

Likewise, the Chairman of the Sustainability and Regulation Committee reports the main matters dealt with at its respective sessions (including stakeholder interests and opinions) to the meetings of the Board of Directors, ensuring that the most significant issues in terms of sustainability are taken into consideration in the deliberations of the Board of Directors.

Our commitment to stakeholders is based on the Principles of Responsible Business: *"We want to be a company that customers, employees, suppliers, shareholders and society at large can trust. To achieve this, we must communicate clearly to our stakeholders the principles that guide us in our actions."*

In response to this commitment, stakeholder management and relations are based on building relationships based on trust. We promote transparency and effective dialogue with the aim of generating mutual value, establishing solid links that align the Company's expectations with those of its stakeholders, identifying the most relevant issues and anticipating sustainability trends. This approach is implemented through the following lines of action:

- **Collaboration:** We encourage collaboration with our stakeholders to contribute to our purpose and values and the achievement of the Sustainable Development Goals.

- **Dialogue:** We maintain continuous conversations with them, with active listening, promoting two-way and effective communication, and direct, fluid, constructive, diverse, inclusive and intercultural dialogue that allows us to know their expectations, identify their priorities and build a relationship of

- **Consultation:** We encourage the participation and involvement of our stakeholders, promoting voluntary consultation processes, through specific channels for this purpose, or, for example, through surveys, to ascertain the relevance of the issues that affect them and their opinion of the Company.

- **Transparency:** We ensure transparency in relationships, financial and sustainability communication, sharing truthful, relevant, complete, clear and useful information.

- **Continuous improvement:** We pursue continuous improvement, periodically reviewing the mechanisms for Stakeholder relations to ensure that they respond as efficiently as possible to the needs of the moment.

We regularly identify and review our stakeholders in a process that involves several areas. Through this process, they are identified, segmented and prioritised along the entire value chain, upstream, own operations, and downstream.

As a result of this process, the following stakeholders have been identified:

Stakeholders	Definition
Analysts and investors	• Shareholders, other investors and analysts who assess Telefónica's performance in different dimensions. • Includes: individual shareholders, significant shareholdings and institutional investors (including those focused on ESG).
Competitors	• Companies that offer products and services that are similar or related to Telefónica's. • Includes: direct competitors, indirect competitors and new entrants

Consumers and end-users	• Natural or legal persons who, by signing a contract with Telefónica, acquire the right to use its products and services. • Includes: B2B customers and B2C	
Employees	• Staff who are hired directly by Telefónica. • Includes: professionals, executives and worker representatives.	
Value chain employees	• Staff who work for a direct or indirect Telefónica supplier company. • Includes: employees of direct high-risk suppliers, employees of indirect high-risk suppliers and employees of low-risk direct or indirect suppliers.	
Governmental and regulatory bodies	• Organisations responsible for corporate regulatory oversight in the area of telecommunications. • Includes: national agencies, regional agencies, multilateral agencies, sectoral regulators, international and regional bodies, sectoral and business organisations, local and regional governments.	
Asset managers and credit institutions	• Financial institutions that provide capital or financing to Telefónica. • Includes: credit institutions and lenders.	
Environment	• A silent stakeholder made up of ecosystems and natural resources (energy, water, minerals, etc.) on which Telefónica's activities may have an impact.	
Suppliers	• Companies that supply products or services to Telefónica. • Includes: direct high-risk suppliers, indirect high-risk suppliers, low-risk suppliers.	

Insurance

- Entities that protect the assets, income statement and balance sheet of the Company, as well as covering liability towards third parties and entities that protect Telefónica employees.
- Includes: financial insurance, life and health insurance, infrastructure insurance and liability insurance.

Society

- Social groups influenced by Telefónica's activities.
- Includes: NGOs, academic and research institutions, the media, vulnerable groups, local communities, indigenous communities and the rest of society.

Once identified and segmented, Stakeholders are evaluated according to the variables of the influence they have on the Company and their interest in our activities

As a result of prioritisation, we establish different forms of interaction and engagement with our stakeholders. Although we collaborate with all of them, we design different types of interaction based on their expectations and needs:

- **For the main groups** (high influence and high interest), continuous and bidirectional communication is implemented, fostering their active participation and gathering their expectations in order to integrate them into strategic decisions and the definition of sustainability policies.
- **For latent groups** (high influence and low interest), timely strategic communication is maintained, promoting their awareness of relevant issues that may impact their interests without requiring their constant participation.
- **For informed groups** (low influence and high interest), they are kept informed on a regular basis through the different channels and forms of relationship, so that they can understand how the Company's decisions may affect their interests.
- F**or monitored groups** (low influence and low interest), communication is carried out on an occasional basis, sufficient to keep them informed about aspects that may be important to them for their decision making.

In line with this approach, , a mapping of the channels and forms of relationship has been carried out form the main stakeholders identified through the prioritisation process This analysis allows the Company to adapt the interaction channels to the specific characteristics and needs of each group, in order to have bidirectional communication that integrates both the global and local approach.

As a result of this process, the Company has identified the main channels and forms of general and specific relationship with its stakeholders, both for communicating with them and for gathering their interests:

General channels and forms of relationship for all stakeholders:

- Consolidated management report.
- Presentations of results.
- Queries Channel
- Whistleblowing Channel.
- Prospectuses, mainly those that comply with legal requirements in some of the markets in which the Company's shares are traded.
- The policies of the Group, made publicly available on the Telefónica website.
- Publications and content on the global and local websites of Telefónica and its associated brands.

Publications and content on social media: Facebook, Instagram, LinkedIn, TikTok, X, Twitch and YouTube

Specific channels and form of relationship with key stakeholders

Channels and specific forms of relationship	Analysts and investors	Customers and end-users	Employees	Governmental entities and regulators	Asset managers and credit institutions	Environment	Suppliers	Society
Boards, committees, commissions or meetings Formal spaces in which representatives of different areas or stakeholders meet to discuss specific topics and make decisions	x	x	x	x	x	x	x	
Mailbox for stakeholder consultations and service Space enabled for stakeholders to ask questions or express doubts about specific issues	x	x	x				x	
Formal surveys or consultations Structured tools used to gather opinions or specific data from stakeholders through previously defined questions	x	x	x	x			x	x
Newsletter Regular publications that inform stakeholders about news, progress or important issues	x	x	x	x		x	x	x
Specific social networks Digital platforms used to interact with stakeholders, share updates and receive comments			x	x				
Specific microsites or APPs Digital tools devoted to providing specific information or services to certain stakeholders, facilitating their participation	x	x	x		x		x	x
Specific working groups Specific teams put together to work on particular projects or initiatives			x	x	x	x		x
Forums, seminars and conferences Events organised to foster discussion and the exchange of ideas about topics of common interest	x	x	x	x		x		x
Real-time technical support Service devoted to resolving technical issues or providing immediate assistance to users through online chat services, calls or other support platforms		x						
Analysis of studies and research Compilation and analysis of indirect information about the needs and expectations of silent stakeholders, allowing an understanding of behaviours and preferences without the need for direct interaction						x		

The survey of channels and forms of relationship allows the Company to identify which of them are relevant to know the expectations of stakeholders. The analysis of these expectations provides information for establishing, modifying and updating policies and procedures for those issues that directly affect them.

It also serves as a source of information when setting targets to promote positive impacts, seize opportunities, and mitigate or avoid negative impacts and risks. This methodology allows management and strategic decisions to be aligned with the needs and expectations of the Company's main stakeholders.

Telefónica